



INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

OUCC Survey Results for IURC Billing Symposium: A Snapshot of What We've Learned

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Summary

The Indiana Office of Utility Consumer Counselor (OUCC) appreciates the Indiana Utility Regulatory Commission's (IURC's) efforts to facilitate this symposium and to foster a productive dialogue among all of the stakeholders. We especially appreciate the efforts of IURC staff to produce these surveys for our office and additional consumer parties, and provide the information for our review and use.

The information provided via the OUCC survey collectively represents only one piece in the larger puzzle, as we have not seen or discussed the data from other consumer surveys. We also recognize that this collection of consumer opinions is a "snapshot in time," limited to the 13-day window in which the data were collected. We view this snapshot as a starting point for continued dialogue.

While this report focuses on seven key takeaways from the OUCC survey, it also includes random quotes shared by some consumers who responded. (Names of specific utilities have been edited out.) In addition, the author is sharing some personal opinions on each takeaway for discussion purposes. These opinions should not be viewed as formal agency positions as explained in the disclaimers at the end of this report.

About the Respondents

590 consumers throughout Indiana took the time to respond to this survey. Given that this survey was developed quickly, only available online, and only available for a 13-day period, we are very happy with the number of responses.

- We are equally happy with the quality and thoughtfulness many people put into their replies.
- The survey did not ask consumers for their names or locations. Nor did it ask them to name all of their utilities. However, it did include an optional question as to which third of the state they live in.
 1. Roughly a third of the respondents reside in central Indiana.
 2. Another third are divided between northern and southern Indiana.
 3. The remaining third did not answer this optional question.
- On the whole, this survey's respondents were more educated, more affluent, and slightly older than average. People with non-white ethnicity were also underrepresented when compared with population averages.
 1. These factors may be due in part, again, to the compressed timeframe in which the survey was offered (combined with our limited ability to do more targeted outreach).
 2. We are hopeful that the survey results from the additional consumer organizations will help compensate for those shortcomings. We look forward to seeing those results and incorporating the viewpoints into the more holistic discussion.
- Most answers did not vary appreciatively based on demographics. But key areas in which those answers did differ are noted below.

Seven Key Takeaways

Seven major themes are clear from the respondents to this survey:

1. Estimated bills are very unpopular.
2. Billing inserts are also unpopular.
3. “Plainer language,” however, is very popular.
4. The desire for plain language does not translate to a desire for less information.
5. The type of information consumers want varies widely.
6. Paper billing is not going away.
7. Whenever rates change, consumers want to know.

Takeaway #1: Estimated bills are extremely unpopular.

- The news that billing estimates are unpopular is not surprising.
- However, the number of comments mentioning estimated bills was a bit surprising. So was the strong distaste consumers expressed in a number of those comments.

Some of the consumer quotes:

“It would be nice to know when they estimate your bill because they don’t always tell you. You just get a double bill.”

“I can’t stand when my utility bill always says estimated, because to me, that makes me feel like they are just putting what they want and they are not coming out to make sure they aren’t collecting too much. I think they purposely put information on the bill the way they do, just to confuse folks, and a majority of them are not going to call and ask questions. Even if you are collecting \$5 extra from each customer, that’s a ton of money overall, but would any of us know that we were being overcharged? Probably not.”

“I’d like to know the date the meter readings occur – the last date and next anticipated date.”

“(My) sewer utility, as an example, fails to indicate on the bill if the meter is read or estimated. Billing dates are dated 3-5 days before I actually receive the bill which shortens time to get them paid. Other utilities fail to provide information on their costs of service.”

“(My gas utility) provides clearer bills than my other utilities. It’s on one page, with the back providing info on the taxes and charges. It’s got the most useful ridiculous graph to show usage and it has average temps to help you see why you might be using more or less gas. It also changes from month to month more often which actually makes me more confident that they aren’t ripping me off or just averaging the meter reads.”

“I want to know if usage is estimate or meter! I want to know if there are any unknown options that will decrease my bill per my situation. What are my options?”

“Estimating bills should be against the law.”

A thought or two from the author:

Are AMR meters the answer? Maybe. But no solution is perfect.

Takeaway #2: Billing inserts are unpopular, too.

- This is especially true when inserts include advertising and messages outside the scope of billing-related matters.
- 45% of respondents say they “sometimes” read the inserts.
- Consumers in the lower income brackets are a little more likely to read them.
- Consumers in northern Indiana are also slightly more likely to read them.
- However, the survey also asked consumers to name which of several things would be most helpful in making it easier to understand their bills. Inserts came in as the number one answer at 38%.
- Along a similar line, the survey asked if the “News You Can Use” sections on the bills themselves are helpful. About 67% of the respondents said “yes” or “sometimes.”

Some of the consumer quotes:

“Too many ads! I will never do business with those that clutter my bill!”

“Limit them so they are used only when absolutely necessary.”

“Add information to the bill or don’t send it. It’s a complete waste of resources.”

“Make them pertain to the local area for that consumer.”

“Shorter and to the point.”

“Current info that can help me. Not just ‘did you know fluff.’”

“To me it is wasted paper and environmentally unsound.”

“I get enough advertising. I don’t need more.”

“Do not put other vendors’ advertisements in the bill inserts. “

“Less inserts that look like scams.”

“(It’s useful) when they contain information about local events or programs, information about opportunities for energy savings, money-saving opportunities, etc.”

“Make sure the insert information is pertinent and timely.”

“(Only want) information that affects my cost, service, billing, and utility business, and no recipes for apple pie or information on social gatherings.”

“Fine the way they are.”

“More color. They seem pretty bland.”

“I usually scan to see if they are applicable for us. If not, I don’t read them. When they apply, I usually find them helpful.”

A thought or two from the author:

Don’t get rid of billing inserts. Why not? Because they can be very effective tools and can serve a very valuable purpose when it comes to consumer education.

However, advertising and image-building can undermine the credibility of inserts.

If a bill includes 1 insert (or 2 at the most) and maintains the right scope, consumers might become more likely to read them and use their information.

Takeaway #3:

“Plainer language,” however, is very popular.

- This is a common theme that transcends all educational levels.

Some of the consumer quotes:

“Paying the bill isn’t the problem. Understanding the bill and what I owe, am being charged for, etc., is.”

“I can’t always figure out what is being charged and why.”

“My utility bill is difficult to understand, and I consider myself educated. It’s important to define technical terms, and have that information accessible as an insert or directly in the bill. Paying consumers deserve clear and accessible information so they understand their bill and can ensure they are being accurately charged each month.”

“When it’s a water or sewage bill, I want to see the EXACT number of gallons used, not their so-called ‘units.’”

“It’s easy enough now. No changes to paper billing are needed.”

“Fine as it is.”

“I don’t find the bills difficult to understand.”

“Just state it clearly.”

“I don’t find one format better than another. They are just different.”

“Just tell me what I owe and when it’s due.”

“Electric and gas/water are best. Cell phone and cable are worst.”

“I feel the (telecom) bill is very clear as to what I’m being charged for.”

“I like the format of electric/gas, but not that of water.”

“(My electric bill) has clear, simple fonts/explanations. However, it could be even better and clearer. Again, how much power did I use for the bill period, how it compares to the same time last year and what I can do to cut down.”

“All print on utility bills should be 9 pt. font or larger.”

“At least a 12 point font, for those with vision disability.”

“Other than changing the background behind the text or changing the font of one of the sections to further show the change in category, the bill is easy to understand and interpret.”

A thought or two from the author:

There is no “one size fits all” approach to addressing this. But it would be helpful if utilities maintained lists of acronyms, simple glossaries of billing terms, etc. in conspicuous places on their websites. It would also be beneficial for such information to be at the fingertips of their customer service representatives, to assist customers without Internet access.

Takeaway #4: The desire for plain language does not mean people want less information.

- In fact, fewer than 8% of respondents said their bills contain “Too much information.”
- 30% said bills do not have enough information, with the remainder saying the amount of info is just enough.
- Those without college degrees were a little more likely to say their bills have the right amount of information.
- Those with Master’s degrees and higher were more likely to say the bills don’t have enough information.
- Consumers in northern Indiana were a little more likely to say bills don’t have enough information.

Some of the consumer quotes:

“(I want) an easy and understandable itemized list of charges.”

“The current charges for the most part are not understandable. I understand the cost involved to explain the terminology. My suggestion would be for (the utility) to produce a glossary of the billing terminology on an annual basis. They could enclose the glossary with a normal billing statement once a year. Yes, it would cost money, but I believe they could and would pass the cost on to us, the consumer. I am okay with that. I would further explain for example what does a monthly service charge mean? What is the cost associated with the service charge? What is (RTO) cost? Etc. etc. I just want to know what I am paying for and why. I would probably be okay with the costs, but since I don’t know what the costs represent I find myself always questioning what the costs represent.”

“I want an explanation of all the different fees – what are they for? Too little information provided on this.”

“There is no detail on how the rate is broken down.”

“Comparison with last year’s bills and usage and others with the same size homes and equipment.”

“Water bill should show history of usage profile as much as gas/electric company does.”

“Don’t say ‘taxes and fees.’ What exactly are they? And if it takes too much space to itemize them on the paper bill, give me a website where I can find out exactly what they are and how much those are costing me.”

“(Would like) larger font on how many therms used, etc. Other information is legible.”

“(I want) detailed billing so I know what habits to change to save money.”

“What each tax is, why it’s charged, not using abbreviations. Using paper that is a standard size for people who keep their bills or scan them into computers. Information on credits and what those mean and why I have them. Information on why I use different amounts each month but the bill comes out the same even if I’m not on budget billing.”

“The bills are all different. Some have too little information, some have too much information while all of them make no sense or explain what all of the excessive fees are.”

“Water bills and cell phone bills generally don’t break down charges as much as I’d like. It would be nice to know what some of the blanket fees really mean.”

A thought or two from the author:

Even if all consumers do not want the same levels of detail in their bills, and they don’t, they should at least have easy access to additional details of those terms.

If customer service representatives are trained to explain various trackers and other items on bills as relevant, then that’s a good thing. If they are not, then they should be trained.

Takeaway #5: Different consumers want different types of information. And there's a wide range.

- The type of information consumers want is going to vary widely.
- The survey asked people to rank the 5 most important things a bill can include (beyond the due date and amount). 12 options were offered with the responses being fairly close. The top 5 were:
 1. Indication of whether your meter read was actual or estimated.
 2. Separate line items noting the various trackers you are being charged for items, such as infrastructure improvements or environmental projects.
 3. Fixed costs, such as monthly service charges, that do not change as your monthly usage increases or decreases.
 4. Taxes you are paying for your service.
 5. Bar chart showing current and historical consumption.

Some of the consumer quotes:

"More clarity with amount due and credits. The credits for overpayment look like previous balance due amounts. Online bills are confusing in that they show one amount to pay and then the next bill shows a credit, which looks like a previous balance due."

"If you want to further educate people about their bill and their costs associated with same, put in an annual information sheet with the paper bill that explains the terms, charges, why they are levied, and why they are important. Also, put this into any new customer account created so they don't have to wait until the next calendar year to receive the same information."

"Where most usage of electricity is. Chart showing usage. I want to see how I can decrease usage to save money."

"(My electric bill is) easier on the eyes. Some of the other bills have too much stuff going on."

"I like how (my electric provider) compares the temperatures of the current period, the previous period, and last year's period of the same dates. I also like how it shows my balance due on the budget plan."

"(My electric bill) has the best format because it gets straight to the point without a lot of extra, unnecessary detail. Also one page!"

"(My energy bill's) information is short and sweet. Includes usage, a graph, current credit/debt. Biggest downfall = length of account number."

“(Energy bill is) simple, always on time, with access via online or email. Bill has improved regarding presentation of data.”

“Don’t keep on changing the information (regarding formats).”

“If bill is a disconnect notice, make the font BIG so I can see it.”

“Bold print on date due and amount due. On disconnect notices, put the word ‘Disconnect’ in red!!”

A thought or two from the author:

Would additional information about consumption help consumers when it comes to budgeting, making energy/water efficiency improvements, etc? With some customers, yes. With others, no. But the option should always be available for the sake of transparency and a better informed public.

The annual information sheet referred to in the consumer comments is well worth considering, and would foster healthier customer relationships. If the tracker cost breakout proves to be technically infeasible for a utility, then an annual or quarterly insert should contain this information.

Takeaway #6: Paper billing is not going away.

- 62% of the respondents receive paper bills only, while another 19% are electronic only and the remaining 19% take bills in both formats.
- 70% of respondents aged 50 and older receive paper bills only. Among those 34 and younger, 45% receive paper bills only.
- The percentage of those taking paper bills only is higher than 60% for all income levels, except for those making \$75,000 a year or more.
- Among those NOT interested in ebilling, the number one reason was, "I am afraid I would overlook the eBill." Other common themes were:
 - Difficulty of keeping track.
 - Security of personal information online.
 - The lack of a computer at home.
 - Problems with high-speed Internet access (or lack thereof).
- Respondents aged 65 and older were much more likely to express concerns about online security of personal info.
- Only 7 of the 590 respondents indicate they have doctoral or law degrees. None of those 7 participate in ebilling.

Some of the consumer quotes:

"I just prefer to receive thru the mail."

"Have very poor Internet access."

"Old school person."

"I will never pay a bill online because of the possibility of identity theft."

"I like the paper format. I can write on the bill and file it. I always compare the current bill to the previous ones to see if something is amiss."

"It is more difficult to keep track of bills and concerned with security. Plus to pay online, you have to pay a fee. With utility bills skyrocketing and income has not increased, the extra costs are not worth it."

"I can't use credit to pay them online. They require checking access & I won't give access to my checking acct."

"I pay my bill monthly on line. On the day I choose to pay."

"No high speed connection to access e-based systems is available in my rural area with exception of satellite based. Too expensive an option to secure it just to pay bills."

"The online version is harder to navigate in to find the average amounts compared to previous months or years. The paper version usually had everything on the same page."

"Add PayPal."

"Most utilities have special fees to hoops to jump through for credit card payments."

"My co-op makes it very easy to pay my bill in multiple ways."

"I use auto pay through my bank account so this is already simple."

A thought or two from the author:

If you want to make electronic billing a more attractive option, you can do a number of things. But two in particular stand out.

The first is flexibility. If the consumer can choose between either authorizing automatic deductions from checking accounts or separately handling the entry and timing of his or her online bill payments, it might be helpful.

Secondly, make sure there are no additional fees, either from the utility or from the bank. "Convenience fees" are extremely unpopular and even the thought of them seems to be a deterrent to electronic billing.

Make it clear, too, that the consumer can have the same level of detail as with paper billing (if that indeed is the case), and that he or she can return to paper billing if desired at any time.

Takeaway #7:

Whenever rates change, consumers want to know.

- 94% of respondents said they would like to receive some sort of notification when their rates change.
- When broken down regionally, 98% of those from northern Indiana said they want such notification. The same goes for 95% in central Indiana and 90% in the southern portion.
- The number one way they'd like to find out (among the options presented) = an imprinted message on the bill itself.

Some of the consumer quotes:

"Don't see any need to make changes to most utility billing at this time. Are you sure this is a real big problem?? On the flip side, I would like to know about planned rate increase as soon as possible so that it allows me to voice my opinion on this increase."

"It depends on the complexity of the change. I would prefer a brief notation on the bill with a website reference for more detail."

"Notification prior to change and location to speak out."

"A nice message in the email where I don't have to login to a web page."

"(My electric provider includes) leaflets in the bill if there are changes and they do a great job notifying customers. The phone bill is the worst because they have taxes for everything and the way they regulate your usage is shady. They are ridiculously expensive, provide the least amount of helpful information on their charges and fees, and are the worst at 'fees and service charges may apply' all the time!"

A thought or two from the author:

Trackers may result in gradual increases, but you can't assume consumers don't notice.

Overall, more communication is better than less.

Conclusion

Again, we appreciate the work of the IURC staff to facilitate these discussions. And we especially appreciate the consumers throughout the state who took the time to answer these questions. This report reflects the collective “snapshot in time” viewpoint of those consumers, and we look forward to learning more through these discussions with our fellow consumer advocates, with utilities, and with additional stakeholders participating in this symposium.

Disclaimers

The information in this report is a general overview of an unscientific online survey that was conducted from September 25, 2015 through October 7, 2015.

Any conclusions and information in this report are presented solely to help aid in the discussion at the IURC’s November 2, 2015 Billing Symposium.

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